device is described in US patent application serial no. ~~09/503,778~~, entitled "[Insert title to pending application]Portable Authorization Device for Authorizing Use of Protected Information and Associated Method," filed on ~~2/14/2000~~ by the Assignee of the present application and herein incorporated by reference. The method is not only difficult to defeat, it can be extended to protect software running on a host computer, such as a PC, Macintosh, or Unix workstation, as well as software running on plug-in co-processor boards installed in the same machines.

Page, 6, line 3,

In one aspect of the present invention, at least two pieces of hidden keys; are used key to create additional keys for encrypting/decrypting the software. One of the keys is bundled with the encrypted software, and the other is stored in the security device to protect the hidden keys from discovery. When a user attempts to use the protected software on the computer system, the protected software passes its hidden key to the security device; and the security device uses the two hidden keys to generate the additional keys, including the encryption key. The security device then transfers the encryption key to the computer system so that the protected software may be decrypted and executed.

IN THE CLAIMS

1   (Presently amended) A method for protecting software from unauthorized use on a computer system ~~as~~ using an external security device, the method comprising the steps of:

   (a)   encrypting the software to be protected using an encryption key, creating encrypted software;